

ANNUAL REPORT CHECKLIST

FISCAL YEAR ENDED:

12 / 31 / 14

PROVIDER(S): Bay Area Senior Services, Inc.

CCRC(S): The Peninsula Regent

CONTACT PERSON: Gary Homan

TELEPHONE NO.: (650) 425-4232

EMAIL: gary@peninsularegent.com

A complete annual report must consist of 3 copies of all of the following:

- ☒ Annual Report Checklist.
- ☒ Annual Provider Fee in the amount of: \$ 9,857.53
 - ☐ If applicable, late fee in the amount of: \$ _____
- ☒ Certification by the provider's **Chief Executive Officer** that:
 - ☒ The reports are correct to the best of his/her knowledge.
 - ☒ Each continuing care contract form in use or offered to new residents has been approved by the Department.
 - ☒ The provider is maintaining the required *liquid* reserves and, when applicable, the required refund reserve.
- ☒ Evidence of the provider's fidelity bond, as required by H&SC section 1789.8.
- ☒ Provider's audited financial statements, with an accompanying certified public accountant's opinion thereon.
- ☒ Provider's audited reserve reports (prepared on Department forms), with an accompanying certified public accountant's opinion thereon.
- ☒ Provider's "Continuing Care Retirement Community Disclosure Statement" and Form 7-1 "Report on CCRC Monthly Service Fees" for **each** community.
- ☐ Provider's Refund Reserve Calculation(s) – Form 9-1 and/or Form 9-2, if applicable.

The Key Indicators Report is required to be submitted within 30 days of the due date of the submission of the annual report, but may be submitted at the same time as the annual report.



WILL LIGHTBOURNE
DIRECTOR

STATE OF CALIFORNIA—HEALTH AND HUMAN SERVICES AGENCY
DEPARTMENT OF SOCIAL SERVICES
744 P Street • Sacramento, CA 95814 • www.cdss.ca.gov



EDMUND G. BROWN JR.
GOVERNOR

April 13, 2015

Mr. Gary Homan
Bay Area Senior Services
345 Spear Street, Suite 700
San Francisco, California 94105

Dear Mr. Homan:

This is in response to your April 10, 2014, request for an extension in filing the annual audited financial statements and reserve reports for fiscal year ending December 31, 2014 for Bay Area Senior Services dba The Peninsula Regent. The Department will allow the additional time requested and extend the due date to May 31, 2015. As a reminder, if the annual report is postmarked after that date, a \$1,000 late fee will be imposed as of the original due date of April 30, 2015, and an additional fine of \$33 per day thereafter until the complete annual report is received.

This also extends the due date for the Key Indicators Report which must be postmarked by June 30, 2015. If not received by that date, the Department will impose a late fee of \$1,000 as of the original due date of May 31, 2015, and an additional fine of \$33 per day thereafter until it is received.

If you have any questions, you may contact me at (916) 657-2592 or allison.nakatomi@dss.ca.gov.

Sincerely,


Allison Nakatomi, Manager
Continuing Care Contracts Branch

FORM 1-1
RESIDENT POPULATION

<u>Line</u>	<u>Continuing Care Residents</u>	<u>TOTAL</u>
[1]	Number at beginning of fiscal year	<u>244</u>
[2]	Number at end of fiscal year	<u>236</u>
[3]	Total Lines 1 and 2	<u>480</u>
[4]	Multiply Line 3 by ".50" and enter result on Line 5.	x .50
[5]	Mean number of continuing care residents	<div style="border: 1px solid black; padding: 2px; display: inline-block;">240</div>
All Residents		
[6]	Number at beginning of fiscal year	<u>244</u>
[7]	Number at end of fiscal year	<u>236</u>
[8]	Total Lines 6 and 7	<u>480</u>
[9]	Multiply Line 8 by ".50" and enter result on Line 10.	x .50
[10]	Mean number of <i>all</i> residents	<div style="border: 1px solid black; padding: 2px; display: inline-block;">240</div>
[11]	Divide the mean number of continuing care residents (Line 5) by the mean number of <i>all</i> residents (Line 10) and enter the result (round to two decimal places).	<div style="border: 1px solid black; padding: 2px; display: inline-block;">1.00</div>

FORM 1-2
ANNUAL PROVIDER FEE

<u>Line</u>		<u>TOTAL</u>
[1]	Total Operating Expenses (including depreciation and debt service – interest only)	<u>\$10,487,929</u>
[a]	Depreciation	<u>630,403</u>
[b]	Debt Service (Interest Only)	<u> </u>
[2]	Subtotal (add Line 1a and 1b)	<u>630,403</u>
[3]	Subtract Line 2 from Line 1 and enter result.	<u>9,857,526</u>
[4]	Percentage allocated to continuing care residents (Form 1-1, Line 11)	<u>100%</u>
[5]	Total Operating Expense for Continuing Care Residents (multiply Line 3 by Line 4)	<u>9,857,526</u>
[6]	Total Amount Due (multiply Line 5 by .001)	x .001 <u>\$9,857.53</u>

PROVIDER: Bay Area Senior Services, Inc.
 COMMUNITY: The Peninsula Regent



BUILDING SUSTAINING LEADING

BRIDGE HOUSING
CORPORATION

BRIDGE PROPERTY
MANAGEMENT CORPORATION

**BAY AREA SENIOR
SERVICES, INC.**

BRIDGE ECONOMIC
DEVELOPMENT CORPORATION

May 29, 2015

Department of Social Services
Continuing Care Contracts Branch
744 P Street, M.S. 10-90
Sacramento, CA 95814

RE: 2014 Bay Area Senior Services, Inc. Reserve reports filed with The State of California DSS

To the best of my knowledge and belief, I certify the following to be correct:

1. The reports incorporated in the package are correct;
2. Each continuing care contract form in use or offered to new residents has been approved by The State of California Department of Social Services; and
3. Bay Area Senior Services, Inc. is maintaining the required liquid reserves.

A handwritten signature in blue ink, appearing to read "C Parker", with a stylized flourish at the end.

Cynthia Parker
President & CEO





CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

5/5/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Arthur J. Gallagher & Co. Insurance Brokers of CA. 1255 Battery Street #450 San Francisco CA 94111		CONTACT NAME: Cameron Burns PHONE (A/C, No. Ext): 415-546-4028 FAX (A/C, No.): 415-536-8499 E-MAIL ADDRESS:		
INSURED PENIREG-01 Bay Area Senior Services, Inc. DBA: The Peninsula Regent One Baldwin Avenue San Mateo CA 94401		INSURER(S) AFFORDING COVERAGE		NAIC #
		INSURER A: Columbia Casualty Company		31127
		INSURER B: Transportation Insurance Company		20494
		INSURER C:		
		INSURER D:		
		INSURER E:		
		INSURER F:		

COVERAGES

CERTIFICATE NUMBER: 1351585663

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR <input checked="" type="checkbox"/> Prof Liability GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC		PLO508694763	5/1/2014	5/1/2015	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$100,000 MED EXP (Any one person) \$5,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$3,000,000 PRODUCTS - COMP/OP AGG \$3,000,000 Employee Benefits \$1,000,000
B	AUTOMOBILE LIABILITY <input checked="" type="checkbox"/> ANY AUTO <input type="checkbox"/> ALL OWNED AUTOS <input type="checkbox"/> HIRED AUTOS <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS		BUA5086694732	5/1/2014	5/1/2015	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
A	<input checked="" type="checkbox"/> UMBRELLA LIAB <input type="checkbox"/> EXCESS LIAB DED <input checked="" type="checkbox"/> RETENTION \$10,000 OCCUR CLAIMS-MADE		UMB5086694777	5/1/2014	5/1/2015	EACH OCCURRENCE \$5,000,000 AGGREGATE \$5,000,000 \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y/N <input type="checkbox"/> N/A	N/A				WC STATUTORY LIMITS E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

Evidence of Liability. Per contract on file with insured.

CERTIFICATE HOLDER**CANCELLATION**

Department of Social Services Community Care Licensing
851 Traeger Avenue, Suite 2360
San Bruno CA 94066

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE



EVIDENCE OF COMMERCIAL PROPERTY INSURANCE

DATE (MM/DD/YYYY)
5/5/2014

THIS EVIDENCE OF COMMERCIAL PROPERTY INSURANCE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE ADDITIONAL INTEREST NAMED BELOW. THIS EVIDENCE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS EVIDENCE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE ADDITIONAL INTEREST.

PRODUCER NAME, CONTACT PERSON AND ADDRESS		PHONE (A/C, No., Ext): 415-546-9300	COMPANY NAME AND ADDRESS		NAIC NO: 20427
Arthur J. Gallagher & Co. Insurance Brokers of CA. 1255 Battery Street #450 San Francisco CA 94111			American Casualty Company of Reading, PA 333 South Wabash Avenue Chicago IL 60604		
FAX (A/C, No): 415-536-8499		E-MAIL ADDRESS: cameron_burns@ajg.com	IF MULTIPLE COMPANIES, COMPLETE SEPARATE FORM FOR EACH		
CODE:		SUB CODE:	POLICY TYPE		
AGENCY CUSTOMER ID #:			LOAN NUMBER		
NAMED INSURED AND ADDRESS Bay Area Senior Services, Inc. DBA: The Peninsula Regent One Baldwin Avenue San Mateo, CA 94401			POLICY NUMBER LHH5086694746		
ADDITIONAL NAMED INSURED(S)			EFFECTIVE DATE 5/1/2014	EXPIRATION DATE 5/1/2015	<input type="checkbox"/> CONTINUED UNTIL TERMINATED IF CHECKED
THIS REPLACES PRIOR EVIDENCE DATED:					

PROPERTY INFORMATION (Use REMARKS on page 2, if more space is required) ☐ BUILDING OR ☐ BUSINESS PERSONAL PROPERTY

LOCATION/DESCRIPTION
One Baldwin Avenue, San Mateo< CA 94401

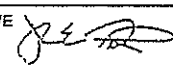
THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS EVIDENCE OF PROPERTY INSURANCE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

COVERAGE INFORMATION		PERILS INSURED	BASIC	BROAD	<input checked="" type="checkbox"/> SPECIAL	
COMMERCIAL PROPERTY COVERAGE AMOUNT OF INSURANCE:		\$ 75,627,185				DED: 5,000
		YES	NO	N/A		
<input checked="" type="checkbox"/> BUSINESS INCOME <input type="checkbox"/> RENTAL VALUE		<input checked="" type="checkbox"/>			If YES, LIMIT: 9,100,000	Actual Loss Sustained; # of months:
BLANKET COVERAGE			<input checked="" type="checkbox"/>		If YES, indicate value(s) reported on property identified above: \$	
TERRORISM COVERAGE			<input checked="" type="checkbox"/>		Attach Disclosure Notice / DEC	
IS THERE A TERRORISM-SPECIFIC EXCLUSION?		<input checked="" type="checkbox"/>				
IS DOMESTIC TERRORISM EXCLUDED?			<input checked="" type="checkbox"/>			
LIMITED FUNGUS COVERAGE			<input checked="" type="checkbox"/>		If YES, LIMIT:	DED:
FUNGUS EXCLUSION (If "YES", specify organization's form used)		<input checked="" type="checkbox"/>				
REPLACEMENT COST		<input checked="" type="checkbox"/>				
AGREED VALUE		<input checked="" type="checkbox"/>				
COINSURANCE		<input checked="" type="checkbox"/>			If YES, % 100	
EQUIPMENT BREAKDOWN (If Applicable)		<input checked="" type="checkbox"/>			If YES, LIMIT: 73,947,185	DED: 5,000
ORDINANCE OR LAW - Coverage for loss to undamaged portion of bldg		<input checked="" type="checkbox"/>			If YES, LIMIT:	DED:
- Demolition Costs		<input checked="" type="checkbox"/>			If YES, LIMIT: 10,000,000	DED: 5,000
- Incr. Cost of Construction		<input checked="" type="checkbox"/>			If YES, LIMIT: Incl. in above	DED: 5,000
EARTH MOVEMENT (If Applicable)			<input checked="" type="checkbox"/>		If YES, LIMIT:	DED:
FLOOD (If Applicable)			<input checked="" type="checkbox"/>		If YES, LIMIT:	DED:
WIND / HAIL (If Subject to Different Provisions)			<input checked="" type="checkbox"/>		If YES, LIMIT:	DED:
PERMISSION TO WAIVE SUBROGATION IN FAVOR OF MORTGAGE HOLDER PRIOR TO LOSS		<input checked="" type="checkbox"/>				

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

ADDITIONAL INTEREST

MORTGAGEE	CONTRACT OF SALE	LENDER SERVING AGENT NAME AND ADDRESS
LENDERS LOSS PAYABLE		
NAME AND ADDRESS Department of Social Services Community Care Licensing 851 Traeger Avenue, Suite 2360 San Bruno CA 94066		AUTHORIZED REPRESENTATIVE 

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Financial Statements
(With Supplementary Information) and
Independent Auditor's Report

December 31, 2014 and 2013

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

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Independent Auditor's Report

Board of Directors
Bay Area Senior Services, Inc., a California nonprofit public benefit corporation

We have audited the accompanying financial statements of Bay Area Senior Services, Inc., a California nonprofit public benefit corporation, which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Bay Area Senior Services, Inc. as of December 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

The financial statements of Bay Area Senior Services, Inc. as of December 31, 2013, were audited by other auditors whose report dated May 1, 2014 expressed an unmodified opinion on those statements.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information on pages 20 and 22 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The 2013 supplementary information on pages 20 and 23 was subjected to the auditing procedures applied in the 2013 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the 2013 financial statements as a whole.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Los Angeles, California
April 29, 2015

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Statements of Financial Position
December 31, 2014 and 2013

	<u>Assets</u>	
	<u>2014</u>	<u>2013</u>
Current assets		
Cash		
Operating cash	\$ 2,329,354	\$ 1,961,568
Designated for		
Replacement reserves	1,579,240	1,562,327
Healthcare insurance reserves	1,600,955	1,688,329
Refundable resident fees	153,268	185,407
Operating reserves	<u>1,242,367</u>	<u>1,381,071</u>
Total cash	6,905,184	6,778,702
Receivables		
Residents	52,347	93,704
Other	8,237	18,419
Prepaid expenses and other current assets	<u>181,832</u>	<u>143,074</u>
Total current assets	<u>7,147,600</u>	<u>7,033,899</u>
Noncurrent assets		
Receivables from residents - long-term	47,950	235,226
Property and equipment, net	<u>3,915,185</u>	<u>3,877,990</u>
Total noncurrent assets	<u>3,963,135</u>	<u>4,113,216</u>
Total assets	<u>\$ 11,110,735</u>	<u>\$ 11,147,115</u>

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Statements of Financial Position
December 31, 2014 and 2013

Liabilities and Net Assets

	<u>2014</u>	<u>2013</u>
Current liabilities		
Accounts payable and accrued liabilities	\$ 335,822	\$ 436,431
Related party payable	<u>747,140</u>	<u>693,340</u>
Total current liabilities	<u>1,082,962</u>	<u>1,129,771</u>
Refundable resident fee	<u>153,269</u>	<u>188,533</u>
Total liabilities	<u>1,236,231</u>	<u>1,318,304</u>
Net assets		
Unrestricted net assets	9,874,504	9,822,122
Temporarily restricted net assets	<u>-</u>	<u>6,689</u>
Total net assets	<u>9,874,504</u>	<u>9,828,811</u>
Total liabilities and net assets	<u>\$ 11,110,735</u>	<u>\$ 11,147,115</u>

See Notes to Financial Statements.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Statements of Activities
Years Ended December 31, 2014 and 2013

	2014		
	Unrestricted	Temporarily restricted	Total
Support and revenue			
Resident fees and services	\$ 10,548,173	\$ -	\$ 10,548,173
Transfer fees	3,040,138	-	3,040,138
Investment and interest income	12,793	-	12,793
Net assets released from restrictions	6,689	(6,689)	-
Total support and revenue	13,607,793	(6,689)	13,601,104
Program services			
The Peninsula Regent project expenses	13,305,346	-	13,305,346
Supporting services			
Management and general	250,065	-	250,065
Total expenses	13,555,411	-	13,555,411
Change in net assets	52,382	(6,689)	45,693
Net assets, beginning of year	9,822,122	6,689	9,828,811
Net assets, end of year	\$ 9,874,504	\$ -	\$ 9,874,504

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Statements of Activities
Years Ended December 31, 2014 and 2013

	2013		
	Unrestricted	Temporarily restricted	Total
Support and revenue			
Resident fees and services	\$ 10,688,839	\$ -	\$ 10,688,839
Transfer fees	2,686,804	-	2,686,804
Investment and interest income	12,921	-	12,921
Contributions	-	148,716	148,716
Net assets released from restrictions	147,699	(147,699)	-
Total support and revenue	13,536,263	1,017	13,537,280
Program services			
The Peninsula Regent project expenses	13,154,948	-	13,154,948
Supporting services			
Management and general	455,790	-	455,790
Total expenses	13,610,738	-	13,610,738
Change in net assets	(74,475)	1,017	(73,458)
Net assets, beginning of year	9,896,597	5,672	9,902,269
Net assets, end of year	\$ 9,822,122	\$ 6,689	\$ 9,828,811

See Notes to Financial Statements.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Statements of Functional Expense
Years Ended December 31, 2014 and 2013

	2014		
	Program services	Supporting services	
	The Peninsula Regent	Management and general	Total
Resident services	\$ 5,735,399	\$ -	\$ 5,735,399
General and administrative	1,986,432	238,462	2,224,894
Taxes, utilities and insurance	863,687	11,603	875,290
Repairs and maintenance	1,222,004	-	1,222,004
Lease expense	2,667,421	-	2,667,421
Depreciation	630,403	-	630,403
Transfer to affiliate	200,000	-	200,000
Total expenses	<u>\$ 13,305,346</u>	<u>\$ 250,065</u>	<u>\$ 13,555,411</u>
	2013		
	Program services	Supporting services	
	The Peninsula Regent	Management and general	Total
Resident services	\$ 6,072,486	\$ -	\$ 6,072,486
General and administrative	1,930,391	409,651	2,340,042
Taxes, utilities and insurance	842,072	9,926	851,998
Repairs and maintenance	1,086,918	-	1,086,918
Lease expense	2,400,855	-	2,400,855
Depreciation	525,088	36,213	561,301
Transfer to affiliate	297,138	-	297,138
Total expenses	<u>\$ 13,154,948</u>	<u>\$ 455,790</u>	<u>\$ 13,610,738</u>

See Notes to Financial Statements.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Cash flows from operating activities		
Resident fees and services receipts	\$ 10,577,096	\$ 10,578,950
Transfer fees received	3,040,138	2,686,804
Restricted receipts	-	148,716
Receipts for guest rooms and meals	174,628	45,601
Investment and interest income	<u>12,793</u>	<u>12,921</u>
Total cash receipts	<u>13,804,655</u>	<u>13,472,992</u>
Cash disbursements		
Resident services expenses	(5,719,441)	(6,028,701)
General and administrative expenses	(2,326,419)	(2,280,699)
Taxes, utilities and insurance expenses	(875,290)	(851,308)
Repairs and maintenance expenses	(1,222,004)	(1,087,869)
Lease expense	(2,667,421)	(2,400,855)
Transfer to affiliate	<u>(200,000)</u>	<u>(297,138)</u>
Total cash disbursements	<u>(13,010,575)</u>	<u>(12,946,570)</u>
Net cash provided by operating activities	<u>794,080</u>	<u>526,422</u>
Cash flows from investing activities		
Purchase of property and equipment	(667,598)	(1,074,179)
Net decrease in reserve accounts	241,304	686,021
Net decrease in other investments	<u>-</u>	<u>175,431</u>
Net cash used in investing activities	<u>(426,294)</u>	<u>(212,727)</u>
Net change in cash	367,786	313,695
Cash, beginning of year	<u>1,961,568</u>	<u>1,647,873</u>
Cash, end of year	<u><u>\$ 2,329,354</u></u>	<u><u>\$ 1,961,568</u></u>

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Statements of Cash Flows
Years Ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	\$ 45,693	\$ (73,458)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	630,403	561,301
(Increase) decrease in assets		
Accounts receivable	238,815	(20,206)
Prepaid expenses and other current assets	(38,758)	43,785
Increase (decrease) in liabilities		
Accounts payable and accrued liabilities	(100,609)	82,160
Related party payable	53,800	(23,078)
Deferred revenue	(35,264)	(44,082)
Net cash provided by operating activities	<u>\$ 794,080</u>	<u>\$ 526,422</u>
Supplemental disclosure of noncash investing and financing activities		
Assets acquired by assuming current liabilities	<u>\$ -</u>	<u>\$ 39,562</u>

See Notes to Financial Statements.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 1 - Organization and nature of activities

Bay Area Senior Services, Inc. (the "Company"), a California nonprofit public benefit corporation, was incorporated on July 1, 1986 to provide housing designed to meet the specialized needs of senior citizens within the San Francisco Bay Area. The Company was formed as a support organization for, and is an affiliate of, BRIDGE Housing Corporation ("BRIDGE"), a nonprofit corporation located in San Francisco, California. Directors and officers of BRIDGE form the board of directors of Bay Area Senior Services, Inc., except for one director who is a Member of The Peninsula Regent. All directors serve without compensation.

The Company, doing business as The Peninsula Regent, is the lessee and operator of The Peninsula Regent ("TPR"), a continuing care retirement community located in San Mateo, California. The land and common area improvements of TPR are owned and were developed by BAC Associates ("BAC"), a California limited partnership. TPR consists of 207 individually owned residential condominium units, 20 assisted living units and supporting dining, wellness and recreation facilities. TPR was placed in service in 1988. Each resident of The Peninsula Regent becomes a Member of the Home Owners' Association and a Member of the Continuing Care Members Association ("Member").

Note 2 - Summary of significant accounting policies

Accounting method

The Company uses the accrual method of accounting, which recognizes income in the period earned and expenses when incurred, regardless of the timing of payments. The Company has adopted the applicable provisions of the *Audit and Accounting Guide for Health Care Entities* of the American Institute of Certified Public Accountants with respect to accounting for the long-term obligation to provide continuing care and the use of the facilities to current Members.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

Basis of presentation

The Company reports information regarding its financial position and activities according to up to two classes of net assets, as applicable: unrestricted net assets and temporarily restricted net assets.

Cash

Cash is defined as cash in demand deposit accounts and savings accounts as well as cash on hand. Certain cash is designated by management as to its use, such as refundable member fees, replacement reserves, healthcare insurance reserves and operating

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

reserves. The Company maintains cash on deposit at a bank in excess of the Federal Deposit Insurance Corporation limit. The uninsured cash balance was approximately \$6,655,000 as of December 31, 2014. The Company has not experienced any losses in such accounts.

Accounts receivable

Management elects to record bad debts using the direct write off method. GAAP requires that the allowance method be used to reflect potential uncollectable accounts. However, the effect of the use of the direct write off method is not materially different from the result that would be obtained had the allowance method been followed.

Property and equipment

Property and equipment is stated at cost of acquisition or construction. The Company is obligated to pay for major repairs and replacements of property and equipment, and accordingly, collects monthly fees from the Members. All monthly fees received from the Members which are for major repairs and replacements are recorded as revenue. Expenditures for major repairs and replacements are recorded as additions to property and equipment. Recurring repairs not of a capital or long-term nature are expensed as incurred. Depreciation is computed based on the straight-line method over the estimated useful lives of the assets.

The Company incurs development costs related to leasehold improvements, which are considered to be construction in progress until the improvement is placed in service. Construction in progress is not depreciated.

The useful lives of the assets are estimated as follows:

Leasehold improvements	10 to 20 years
Furniture, fixtures and equipment	3 to 10 years
Vehicles	5 years

Resident fees and services

Revenue from Member fees and services is recognized in the period rendered. Each Member pays a monthly service fee based on their type of unit (8 types of units). Fees are updated annually on January 1 and regulations require a 60-day notice of any change.

Functional expenses allocation

The costs of providing program services and supporting services are summarized on a functional basis in the statements of activities and statements of functional expenses. Accordingly, certain costs have been allocated among program services and supporting services based on estimates of employees' time incurred and on usage of resources.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Income taxes

The Company is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and state taxes under the California Revenue and Taxation Code Section 23701d.

The Company believes that it has appropriate support for any tax positions taken, and as such, does not have any uncertain tax positions that are material to the financial statements. The Company's federal and state income tax returns for the years 2010 through 2013 are subject to examination by regulatory agencies, generally for three years and four years after they were filed for federal and state, respectively.

Note 3 - Designated replacement reserves - TPR

Designated replacement reserves consisted of interest-bearing cash balances.

Changes in the designated replacement reserves are as follows at December 31:

	2014	2013
Beginning balance	\$ 1,562,327	\$ 2,062,890
Interest income	1,293	356
Additions	<u>670,911</u>	<u>662,196</u>
	672,204	662,552
Disbursements for property and equipment	(525,290)	(1,123,115)
Disbursements for repairs and replacements	<u>(130,001)</u>	<u>(40,000)</u>
Net changes during the year	<u>16,913</u>	<u>(500,563)</u>
Ending balance	<u><u>\$ 1,579,240</u></u>	<u><u>\$ 1,562,327</u></u>

A transfer to the operating account from this reserve account in the amount of \$59,412 was made in January 2015 reflecting year-end adjustments.

The Company has established replacement reserves for TPR's major repairs and replacements of building, property and equipment. An independent reserve study completed by an outside consultant in October 2013 set forth the projected cash expenditures that would be needed for major repairs and replacements for the years 2014 through 2043.

Replacement reserves funding is derived from a portion of the monthly service fees charged to the Members and allocated interest income. Member assessments for the designated replacement reserves and related allocated interest income are recorded as

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

revenue. Cumulative expenditures for replacements and major repairs amounted to \$11,202,445 and \$10,547,154 through December 31, 2014 and 2013, respectively.

The funds held in these reserves are not restricted and may be used for current operations should the need arise. Interest income earned on the funds may be retained as an addition to the reserves, if designated as such by management.

Note 4 - Designated healthcare insurance reserves - TPR

Designated healthcare insurance reserves consisted of interest-bearing cash balances.

Changes in the designated healthcare insurance reserves are as follows at December 31:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 1,688,329	\$ 1,801,346
Interest income	1,258	248
Disbursements	<u>(88,632)</u>	<u>(113,265)</u>
Net changes during the year	<u>(87,374)</u>	<u>(113,017)</u>
Ending balance	<u><u>\$ 1,600,955</u></u>	<u><u>\$ 1,688,329</u></u>

A transfer to the operating account from this reserve account in the amount of \$7,962 was made in January 2015 reflecting year-end adjustments.

The designated healthcare insurance reserves were established to stabilize certain TPR's Members' future health care costs. This could include: to offset increases in long-term care insurance premiums; to reduce the cost to provide care to Members in their condominiums; to pay for care for Members who can no longer fully cover the costs themselves; and, to subsidize outside skilled nursing facilities direct costs.

The funds held in these reserves are not restricted and may be used for current operations should the need arise. Interest income earned on the funds may be retained as an addition to the reserves, if designated as such by management.

Note 5 - Refundable member fees - TPR

Refundable member fees consisted of interest-bearing cash balances.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Changes in the refundable member fees are as follows at December 31:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 185,407	\$ 232,615
Interest income	133	-
Refunds to former residents	<u>(32,272)</u>	<u>(47,208)</u>
Ending balance	<u>\$ 153,268</u>	<u>\$ 185,407</u>

A transfer to the operating account from this reserve account in the amount of \$2,507 was made in January 2015 reflecting year-end adjustments.

The refundable member fees represent the refundable deposits paid by TPR Members upon their purchase of a condominium and continuing care memberships. When a condominium is transferred, the deposit is refunded to the seller. There are no restrictions placed on these funds. Effective in 2007, management changed the policy regarding refundable member deposits. New purchasers now pay a nonrefundable processing fee which is recognized as revenue. The balance of refundable member deposits will continue to decrease as purchasers under the old policy sell their units. The amount likely to be refunded during any particular time period is not possible to accurately predict.

Note 6 - Operating reserves - TPR

Operating reserve consisted of interest-bearing cash balances.

Changes in the operating reserves are as follows at December 31:

	<u>2014</u>	<u>2013</u>
Beginning balance	\$ 1,381,071	\$ 1,406,304
Interest income	1,069	537
Utilized for TPR operations	<u>(139,773)</u>	<u>(25,770)</u>
Net changes during the year	<u>(138,704)</u>	<u>(25,233)</u>
Ending balance	<u>\$ 1,242,367</u>	<u>\$ 1,381,071</u>

A transfer to the operating account from this reserve account in the amount of \$139,794 was made in January 2015 reflecting year-end adjustments.

The operating reserves balances reflect TPR's accumulated excess of revenue over expenses as of December 31, 2014 and 2013. The reserves may be utilized if the Company experiences an unanticipated increase in the costs of future operations.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 7 - Property and equipment

Property and equipment is summarized as follows at December 31:

	<u>2014</u>	<u>2013</u>
Artwork and artifacts	\$ 220,794	\$ 194,676
Leasehold improvements	5,019,477	3,703,955
Furnishings, fixtures and equipment	4,962,044	4,895,419
Vehicles	341,347	294,052
Construction in process	<u>624,216</u>	<u>1,412,177</u>
	11,167,878	10,500,279
Less accumulated depreciation	<u>(7,252,693)</u>	<u>(6,622,289)</u>
	<u><u>\$ 3,915,185</u></u>	<u><u>\$ 3,877,990</u></u>

Note 8 - Operating leases and transfer fees

The Company's lease with BAC entitles the Company to operate and manage TPR and to sell and resell continuing care memberships in TPR. The monthly base rent is \$32,300 through 2062.

Upon the resale of a condominium, the Company is entitled to a transfer fee equal to 10% of the seller's purchase price, plus 75% of any realized appreciation. The Company is required to pay 75% of the transfer fees received as contingent lease payments to BAC for certain common areas, through December 31, 2062. Transfer of the seller's membership occurs simultaneously with the sale of the condominium.

The contingent lease payments are subject to the transfer of condos which is a contingency that cannot be reasonably predicted. Contingent lease expense is recorded at the time that the condo is transferred. The amount of future contingent rents is not determinable.

Note 9 - Transactions with related and other significant parties

Related parties

The Company was charged for expenses of \$93,320 and \$90,145 from BRIDGE for staff costs and other expenses during 2014 and 2013, respectively. Of these amounts, \$0 and \$4,120 was payable as of December 31, 2014 and 2013, respectively.

The Company made transfers of \$200,000 and \$297,138 to BRIDGE during 2014 and 2013, respectively.

The Company paid fees of \$99,200 and \$122,000 to a BRIDGE board member in connection with marketing services provided during 2014 and 2013, respectively.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Other

During 2014 and 2013, there were transactions between the Company and BAC, as described in Note 8. The Company paid base and contingent rent of \$2,667,421 and \$2,400,855 during 2014 and 2013, respectively.

Note 10 - Continuing care disclosures

The Company has adopted the applicable accounting principles as described in the Financial Accounting Standards Board's Codification Section 954-430-35 and has considered the obligation to provide future services and use of the facilities to current Members as explained below.

Future service and continuing care contract costs

TPR annually calculates the expected costs of future services for the next year and adjusts the monthly fees billed to Members accordingly. The non-discounted estimated costs relating to the permanent care of Members are included in the annual budget. These costs are generally offset by insurance reimbursements and the monthly fees billed to those Members requiring permanent care. The Company may adjust monthly fees at any time with 60 days written notice to the Members. Accordingly, an estimated liability for possible future care costs, including outside skilled nursing facilities and long-term care costs, is not considered necessary and is not included in the financial statements.

Some TPR Members are covered by long-term care and Medicare supplemental group insurance policies with a private carrier, sponsored by TPR. The group policy is renewable annually and is non-cancelable by the insurer. Premium payments are the responsibility of the enrolled Members. TPR may subsidize premium payments from time to time (see Note 4).

Use of facilities costs

The obligation to provide future use of the facilities to current Members was estimated using an average remaining life expectancy per Member of 5.8 years. The estimated average annual cost of future repairs and replacements over that time period, as projected by an independent reserve study conducted by an outside consultant in October 2013, is \$817,700. These costs are expected to be fully funded from the replacement reserve, through the monthly fees paid by TPR Members (see Note 3) and interest earned on TPR reserves.

AB 1169 disclosures

Continuing care providers in the state of California are required to provide additional disclosures pursuant to Assembly Bill 1169, effective in May 2010. The required disclosures include amounts accumulated for contingencies and identified projects or purposes. TPR's accumulated cash reserves are disclosed in Notes 3 through 6. Accumulation of amounts for the purposes described in Notes 3 through 6 is permitted under TPR's nonprofit status as described in Section 501(c)(3) of the Internal Revenue Code. The purposes described in Notes 3 through 6 are consistent with the Company's tax-exempt status.

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Notes to Financial Statements
Years Ended December 31, 2014 and 2013

Note 11 - Employee benefit plan

The Company has an employee 403(b) plan covering eligible employees. The Company's contributions to the plan consist of an amount to match voluntary employee contributions, capped at 3% of employee earnings, plus a discretionary percentage based on eligible employees' compensation. Contributions totaled \$115,660 and \$115,841 for the years ended December 31, 2014 and 2013, respectively.

Note 12 - Contingencies

Litigation

The Company can be expected to be named in various claims and legal actions in the normal course of its activities. Based upon counsel and management's opinion, the outcome of such matters is not expected to have a material adverse effect on the Company's financial position or change in net assets.

Receivables from Members

As a nonprofit public benefit corporation, the Company does not terminate membership agreements when Members experience financial difficulties and are unable to fully pay their monthly fees. Instead, a reduced fee is arranged based on each Member's ability to pay, as determined by the Company. The monthly fee reduction under this arrangement is treated as a loan from the Company which is secured by the Member's interest in their condominium and is to be repaid upon sale of the condominium, along with interest. It is possible that the advances could exceed the sales value of the condominium. Management believes that none of the current advances outstanding, which total \$47,950 as of December 31, 2014, exceed the sales value of the Members' condominiums.

Certain Members who purchased their condominiums prior to 2007 are also entitled to remain Members after the sale of their condominiums. In this case, the sales proceeds are generally held in trust and withdrawals are made to fund the monthly fees if other resources are insufficient, at the discretion of the Company. One Member has exhausted her resources and the Company is paying for a portion of the ongoing costs of care, utilizing the healthcare insurance reserves to fund these costs (see Note 4).

Note 13 - Subsequent events

Management has evaluated subsequent events through April 29, 2015, the date on which the financial statements were available to be issued. No such events were required to be disclosed.

Supplementary Information

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

The Peninsula Regent
Schedules of Assets, Liabilities and Net Assets
Years Ended December 31, 2014 and 2013

	<u>Assets</u>	
	<u>2014</u>	<u>2013</u>
Current assets		
Cash		
Operating cash	\$ 477,872	\$ 345,576
Designated for		
Replacement reserves	1,579,240	1,562,327
Healthcare insurance reserves	1,600,955	1,688,329
Refundable resident fees	153,268	185,407
Operating reserves	1,242,367	1,381,071
Total cash	<u>5,053,702</u>	<u>5,162,710</u>
Receivables		
Residents	52,347	93,704
Related party	30,065	59,740
Other	8,237	18,354
Prepaid expenses and other current assets	<u>178,797</u>	<u>137,900</u>
Total current assets	<u>5,323,148</u>	<u>5,472,408</u>
Noncurrent assets		
Receivables from residents - long-term	47,950	235,226
Property and equipment, net	<u>3,772,873</u>	<u>3,877,990</u>
Total noncurrent assets	<u>3,820,823</u>	<u>4,113,216</u>
Total assets	<u>\$ 9,143,971</u>	<u>\$ 9,585,624</u>

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

The Peninsula Regent
Schedules of Assets, Liabilities and Net Assets
Years Ended December 31, 2014 and 2013

Liabilities and Net Assets

	<u>2014</u>	<u>2013</u>
Current liabilities		
Accounts payable and accrued liabilities	\$ 133,430	\$ 267,436
Accrued payroll and related expenses	199,123	157,236
Related party payable	<u>1,707</u>	<u>1,697</u>
Total current liabilities	<u>334,260</u>	<u>426,369</u>
Refundable resident fee	<u>153,269</u>	<u>188,533</u>
Total liabilities	<u>487,529</u>	<u>614,902</u>
Net assets		
Unrestricted net assets	8,656,442	8,964,033
Restricted net assets	<u>-</u>	<u>6,689</u>
Total net assets	<u>8,656,442</u>	<u>8,970,722</u>
Total liabilities and net assets	<u><u>\$ 9,143,971</u></u>	<u><u>\$ 9,585,624</u></u>

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

The Peninsula Regent
Schedules of Revenue, Expenses and Changes in Net Assets
Year Ended December 31, 2014

	2014		
	Unrestricted	Temporarily restricted	Total
Support and revenue			
Resident fees and services	\$ 10,548,173	\$ -	\$ 10,548,173
Investment and interest income	12,793	-	12,793
Total support and revenue	10,560,966	-	10,560,966
Expenses			
Taxes, utilities and insurance	863,687	-	863,687
Food services	2,562,394	-	2,562,394
Health services	1,102,656	-	1,102,656
Purchased care services	236,082	-	236,082
Housekeeping	885,504	-	885,504
Activities, security, laundry and reception	948,763	-	948,763
General and administrative, general services and marketing	1,986,432	-	1,986,432
Repairs and maintenance	1,222,004	-	1,222,004
Management fees	50,004	-	50,004
Sustaining fees	387,317	-	387,317
Depreciation	630,403	-	630,403
Total expenses	10,875,246	-	10,875,246
Change in net assets	(314,280)	-	(314,280)
Add back depreciation and amortization - non-cash items	630,403	-	630,403
Excess of revenue over expenses before designated utilization (allocation)	316,123	-	316,123
Designated utilization (allocation)			
Deposits to replacement reserve	(672,204)	-	(672,204)
Utilization of replacement reserve	130,001	-	130,001
Utilization of healthcare insurance reserves	87,374	-	87,374
Utilization of operating reserve	138,704	-	138,704
Excess (deficiency) of revenue over expenses	\$ (2)	\$ -	\$ (2)

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

The Peninsula Regent
Schedules of Revenue, Expenses and Changes in Net Assets
Year Ended December 31, 2013

	2013		
	Unrestricted	Temporarily	Total
Support and revenue			
Resident fees and services	\$ 10,697,989	\$ -	\$ 10,697,989
Investment and interest income	12,921	-	12,921
Contributions	-	148,716	148,716
Net assets released from restrictions	147,699	(147,699)	-
Total support and revenue	10,858,609	1,017	10,859,626
Expenses			
Taxes, utilities and insurance	842,072	-	842,072
Food services	2,442,836	-	2,442,836
Health services	1,009,710	-	1,009,710
Purchased care services	357,641	-	357,641
Medical insurance premiums	558,446	-	558,446
Housekeeping	824,551	-	824,551
Activities, security, laundry and reception	879,302	-	879,302
General and administrative, general services and marketing	1,866,377	-	1,866,377
Repairs and maintenance	1,086,918	-	1,086,918
Homeowners' association dues	74,520	-	74,520
Management fees	50,004	-	50,004
Sustaining fees	385,752	-	385,752
Depreciation	561,301	-	561,301
Total expenses	10,939,430	-	10,939,430
Change in net assets	(80,821)	1,017	(79,804)
Add back depreciation and amortization - non-cash items	561,301	-	561,301
Excess of revenue over expenses before designated utilization (allocation)	480,480	1,017	481,497
Designated utilization (allocation)			
Deposits to temporary restricted net assets	-	(1,017)	(1,017)
Deposits to replacement reserve	(662,196)	-	(662,196)
Utilization of replacement reserve	40,000	-	40,000
Utilization of healthcare insurance reserves	113,265	-	113,265
Deposit interest to reserve funds	(1,141)	-	(1,141)
Utilization of operating reserve	25,770	-	25,770
Excess (deficiency) of revenue over expenses	\$ (3,822)	\$ -	\$ (3,822)

See Independent Auditor's Report.

**Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)**

**Reserve Reports Filed with the
State of California
Department of Social Services
Continuing Care Contracts Branch and
Independent Auditor's Report**

December 31, 2014

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

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Independent Auditor's Report

Board of Directors
Bay Area Senior Services, Inc.

We have audited the accompanying continuing care reserve reports (the "Reports") of Bay Area Senior Services, Inc. (the "Company"), a California nonprofit public benefit corporation, as of December 31, 2014.

Management's Responsibility for the Report

Management is responsible for the preparation and fair presentation of these Reports in accordance with the report preparation provision of California Health and Safety Code Section 1792; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Reports that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Reports based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Reports are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Reports. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Reports, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Reports in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Reports.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Reports referred to above present fairly, in all material respects, the liquid reserve requirements of Bay Area Senior Services, Inc. as of December 31, 2014, in conformity with the report preparation provision of California Health and Safety Code Section 1792 referred to above.

Basis of Accounting

The Reports were prepared by the Company on the basis of the report preparation provision of California Health and Safety Code Section 1792, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of California Health and Safety Code Section 1792 referred to above. Our opinion is not modified with respect to that matter.

Report on Audited Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Company as of and for the year ended December 31, 2014, and our reports thereon dated April 29, 2015, expressed an unmodified opinion on the Company's financial statements.

Restriction on Use

The Reports of Bay Area Senior Services, Inc. is intended solely for the use of the Company's board of directors, management and for filing with the California Department of Social Services and is not intended to be and should not be used for any other purpose. However, this report is a matter of public record and its distribution is not limited.

CohnReznick LLP

Los Angeles, California
May 22, 2015

FORM 5-1
LONG-TERM DEBT INCURRED
IN A PRIOR FISCAL YEAR
(Including Balloon Debt)

Long-Term Debt Obligation	(a) Date Incurred	(b) Principal Paid During Fiscal Year	(c) Interest Paid During Fiscal Year	(d) Credit Enhancement Premiums Paid in Fiscal Year	(e) Total Paid (columns (b) + (c) + (d))
1					
2					
3					
4					
5					
6					
7					
8					
TOTAL:			\$0	\$0	\$0

*(Transfer this amount to
Form 5-3, Line 1)*

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: Bay Area Senior Services, Inc.

FORM 5-1

FORM 5-2
LONG-TERM DEBT INCURRED
DURING FISCAL YEAR
(Including Balloon Debt)

Long-Term Debt Obligation	(a) Date Incurred	(b) Total Interest Paid During Fiscal Year	(c) Amount of Most Recent Payment on the Debt	(d) Number of Payments over next 12 months	(e) Reserve Requirement (see instruction 5) (columns (c) x (d))
1					
2					
3					
4					
5					
6					
7					
8					
TOTAL:		\$0	\$0	\$0	\$0

*(Transfer this amount to
Form 5-3, Line 2)*

NOTE: For column (b), do not include voluntary payments made to pay down principal.

PROVIDER: Bay Area Senior Services, Inc.

FORM 5-2

FORM 5-3
CALCULATION OF LONG-TERM DEBT RESERVE AMOUNT

Line		TOTAL
1	Total from Form 5-1 bottom of Column (c)	\$0
2	Total from Form 5-2 bottom of Column (c)	\$0
3	Facility leasehold or rental payment paid by provider during fiscal year. (including related payments such as lease insurance)	\$2,667,421
4	TOTAL AMOUNT REQUIRED FOR LONG-TERM DEBT RESERVE:	\$2,667,421

PROVIDER: Bay Area Senior Services, Inc.

FORM 5-3

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Calculation of Long-Term Debt Reserve Amount – Form 5-3
Reconciliation to 2014 Audited Financial Statements
December 31, 2014

Total lease expense

The Peninsula Regent Sustaining fee ⁽¹⁾	\$ 387,317
Bass - Corporate Rent (see calculation below) ⁽²⁾	<u>2,280,104</u>
Total lease expense (Line 3)	<u>\$ 2,667,421</u>
 Transfer fee revenue ⁽³⁾	 \$ 3,040,138
Net transfer fee revenue - 25% of transfer fee revenue ⁽³⁾	<u>(760,034)</u>
 Total rent expense	 <u>\$ 2,280,104</u>

⁽¹⁾ Please refer to the Supplementary Information - Schedule of Revenue, Expenses and Changes in Net Assets

⁽²⁾ Please refer to the Statement of Functional Expenses

⁽³⁾ Please refer to the Statement of Activities and Note 8

FORM 5-4
CALCULATION OF NET OPERATING EXPENSES

Line		Amounts	TOTAL
1	Total operating expenses from financial statements		\$10,487,929
2	Deductions		
a	Interest paid on long-term debt (see instructions)	\$0	
b	Credit enhancement premiums paid for long-term debt (see instructions)	\$0	
c	Depreciation	\$630,403	
d	Amortization	\$0	
e	Revenues received during the fiscal year for services to persons who did not have a continuing care contract	\$174,628	
f	Extraordinary expenses approved by the Department	\$0	
3	Total Deductions		\$805,031
4	Net Operating Expenses		\$9,682,898
5	Divide Line 4 by 365 and enter the result.		\$26,528
6	Multiply Line 5 by 75 and enter the result. This is the provider's operating expense reserve mount.		\$1,989,600

PROVIDER: Bay Area Senior Services, Inc.

COMMUNITY: The Peninsula Regent

FORM 5-4

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Calculation of Net Operating Expenses – Form 5-4
Reconciliation to 2014 Audited Financial Statements
December 31, 2014

Support and revenue for TPR:

Resident fees and services	\$ 10,221,162
Services to guests of residents (Form 5-4, Line 2e)	174,628
Services not covered by monthly service fees	<u>152,383</u>

Subtotal	10,548,173
Investment and interest income ⁽¹⁾	<u>12,793</u>

Total support and revenue for TPR ⁽¹⁾	<u>10,560,966</u>
--	-------------------

Adjustments for Corporate revenue:

Decrease in residents accounts receivable ⁽⁴⁾	41,357
Decrease in other accounts receivable ⁽⁴⁾	10,182
Decrease in receivables from residents - long-term ⁽⁴⁾	187,276
Decrease in refundable member fees ⁽⁵⁾	(35,264)
Transfer fee revenue ⁽³⁾	<u>3,040,138</u>

Subtotal	<u>3,243,689</u>
----------	------------------

Total reported on the Statement of Cash Flows	<u><u>\$ 13,804,655</u></u>
---	-----------------------------

⁽¹⁾ Please refer to the Supplementary Information - Schedule of Revenue, Expenses and Changes in Net Assets

⁽³⁾ Please refer to the Statement of Activities and Note 8

⁽⁴⁾ Please refer to the Statement of Financial Position

⁽⁵⁾ Please refer to the Statement of Financial Position and Note 5

Bay Area Senior Services, Inc.
(A California Nonprofit Public Benefit Corporation)

Calculation of Net Operating Expenses – Form 5-4
Reconciliation to 2014 Audited Financial Statements
December 31, 2014

Expenses for TPR:

Resident services	\$ 5,785,403
General and administrative ⁽¹⁾	1,986,432
Taxes, utilities and insurance ⁽¹⁾	863,687
Repairs and maintenance ⁽¹⁾	1,222,004
Depreciation (Form 5-4, Line 2e) ⁽¹⁾	<u>630,403</u>

Operating expenses (Form 5-4, Line 1)	10,487,929
Sustaining fees (lease) ⁽¹⁾	<u>387,317</u>

Total expenses for TPR ⁽¹⁾	<u>10,875,246</u>
---------------------------------------	-------------------

Adjustments for Corporate expenses:

Rent expense - 75% of transfer fee revenue (Form 5-3) ⁽²⁾	2,280,104
Intercompany management fee (eliminated)	(50,004)
Transfer to BRIDGE	<u>200,000</u>

Subtotal	<u>2,430,100</u>
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Total TPR expenses reported on the Statement of Functional Expenses	<u><u>\$ 13,305,346</u></u>
---	-----------------------------

⁽¹⁾ Please refer to the Supplementary Information - Schedule of Revenue, Expenses and Changes in Net Assets

⁽²⁾ Please refer to the Statement of Functional Expenses

FORM 5-5
ANNUAL RESERVE CERTIFICATION

Provider Name: Bay Area Senior Services, Inc.

Fiscal Year Ended: December 31, 2014

We have reviewed our debt service reserve and operating expense reserve requirements as of, and for the period ended December 31, 2014 and are in compliance with those requirements.


Our liquid reserve requirements, computed using the audited financial statements for the fiscal year are as follows:

	<u>Amount</u>
[1] Debt Service Reserve Amount	<u>\$2,667,421</u>
[2] Operating Expense Reserve Amount	<u>\$1,989,600</u>
[3] Total Liquid Reserve Amount:	<u>\$4,657,021</u>

Qualifying assets sufficient to fulfill the above requirements are held as follows:

<u>Qualifying Asset Description</u>	<u>Amount</u> (market value at end of quarter)	
	<u>Debt Service Reserve</u>	<u>Operating Reserve</u>
[4] Cash and Cash Equivalents	<u>\$1,851,482</u>	<u>\$4,900,434</u>
[5] Investment Securities	<u> </u>	<u> </u>
[6] Equity Securities	<u> </u>	<u> </u>
[7] Unused/Available Lines of Credit	<u> </u>	<u> </u>
[8] Unused/Available Letters of Credit	<u> </u>	<u> </u>
[9] Debt Service Reserve	<u> </u>	(not applicable)
[10] Other: <u>Transfer Fees</u>	<u>\$2,280,104</u>	<u> </u>
<u>(describe qualifying asset)</u>		
Total Amount of Qualifying Assets Listed for Liquid Reserve:	[11] <u>\$4,131,586</u>	[12] <u>\$4,900,434</u>
Total Amount Required:	[13] <u>\$2,667,421</u>	[14] <u>\$1,989,600</u>
Surplus/(Deficiency):	[15] <u>\$1,464,165</u>	[16] <u>\$2,910,834</u>

Signature:


(Authorized Representative)

Date: 5/27/15

Gary Homan, Director, Business Services
(Title)

**Continuing Care Retirement Community
Disclosure Statement
General Information**

Date Prepared: 4/29/15

FACILITY NAME: The Peninsula Regent

ADDRESS: 1 Baldwin Ave San Mateo, CA

ZIP CODE: 94401

PHONE: 650-579-5500

PROVIDER NAME: Bay Area Senior Services, Inc.

FACILITY OPERATOR: Bay Area Senior Services, Inc.

RELATED FACILITIES: None

RELIGIOUS AFFILIATION: None

YEAR # OF ☐ SINGLE ☒ MULTI-

MILES TO SHOPPING CTR: 2.5

OPENED: 1988 ACRES: 2 STORY STORY ☐ OTHER: _____

MILES TO HOSPITAL: 4

NUMBER OF UNITS:

RESIDENTIAL LIVING

APARTMENTS — STUDIO: 0

APARTMENTS — 1 BDRM: 99

APARTMENTS — 2 BDRM: 108

COTTAGES/HOUSES: 0

RLU OCCUPANCY (%) AT YEAR END: 93.2%

HEALTH CARE

ASSISTED LIVING: 20

SKILLED NURSING: 0

SPECIAL CARE: 0

DESCRIPTION: > N/A

TYPE OF OWNERSHIP: ☒ NOT-FOR-PROFIT ☐ FOR-PROFIT ACCREDITED?: ☐ YES ☒ NO BY: _____

FORM OF CONTRACT: ☒ CONTINUING CARE ☐ LIFE CARE ☐ ENTRANCE FEE ☐ FEE FOR SERVICE
(Check all that apply) ☐ ASSIGNMENT OF ASSETS ☒ EQUITY ☐ MEMBERSHIP ☐ RENTAL

REFUND PROVISIONS: (Check all that apply) ☐ 90% ☐ 75% ☐ 50% ☐ FULLY AMORTIZED ☐ OTHER: No entrance fee

RANGE OF ENTRANCE FEES: \$ 0 - \$ 0 LONG-TERM CARE INSURANCE REQUIRED? ☐ YES ☒ NO

HEALTH CARE BENEFITS INCLUDED IN CONTRACT: Access to assisted living and home care visits

ENTRY REQUIREMENTS: MIN. AGE: 60 PRIOR PROFESSION: N/A OTHER: N/A

RESIDENT REPRESENTATIVE(S) TO THE BOARD (briefly describe their involvement): > Selected by the resident council, serves a 3 year term,
> participates in all community leadership meetings

FACILITY SERVICES AND AMENITIES

COMMON AREA AMENITIES	AVAILABLE	FEE FOR SERVICE	SERVICES AVAILABLE	INCLUDED IN FEE	FOR EXTRA CHARGE
BEAUTY/BARBER SHOP	<input type="checkbox"/>	<input checked="" type="checkbox"/>	HOUSEKEEPING (4 TIMES/MONTH)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BILLIARD ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	MEALS (1/DAY)	<input checked="" type="checkbox"/>	<input type="checkbox"/>
BOWLING GREEN	<input checked="" type="checkbox"/>	<input type="checkbox"/>	SPECIAL DIETS AVAILABLE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CARD ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>			
CHAPEL	<input type="checkbox"/>	<input type="checkbox"/>	24-HOUR EMERGENCY RESPONSE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
COFFEE SHOP	<input type="checkbox"/>	<input type="checkbox"/>	ACTIVITIES PROGRAM	<input checked="" type="checkbox"/>	<input type="checkbox"/>
CRAFT ROOMS	<input checked="" type="checkbox"/>	<input type="checkbox"/>	ALL UTILITIES EXCEPT PHONE	<input type="checkbox"/>	<input checked="" type="checkbox"/>
EXERCISE ROOM	<input checked="" type="checkbox"/>	<input type="checkbox"/>	APARTMENT MAINTENANCE	<input checked="" type="checkbox"/>	<input type="checkbox"/>
GOLF COURSE ACCESS	<input type="checkbox"/>	<input type="checkbox"/>	CABLE TV	<input checked="" type="checkbox"/>	<input type="checkbox"/>
LIBRARY	<input checked="" type="checkbox"/>	<input type="checkbox"/>	LINENS FURNISHED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
PUTTING GREEN	<input type="checkbox"/>	<input type="checkbox"/>	LINENS LAUNDERED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SHUFFLEBOARD	<input type="checkbox"/>	<input type="checkbox"/>	MEDICATION MANAGEMENT	<input type="checkbox"/>	<input checked="" type="checkbox"/>
SPA	<input checked="" type="checkbox"/>	<input type="checkbox"/>	NURSING/WELLNESS CLINIC	<input checked="" type="checkbox"/>	<input type="checkbox"/>
SWIMMING POOL-INDOOR	<input checked="" type="checkbox"/>	<input type="checkbox"/>	PERSONAL HOME CARE	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
SWIMMING POOL-OUTDOOR	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PERSONAL	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
TENNIS COURT	<input type="checkbox"/>	<input type="checkbox"/>	TRANSPORTATION-PREARRANGED	<input checked="" type="checkbox"/>	<input type="checkbox"/>
WORKSHOP	<input checked="" type="checkbox"/>	<input type="checkbox"/>	OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>
OTHER _____	<input type="checkbox"/>	<input type="checkbox"/>			

All providers are required by Health and Safety Code section 1789.1 to provide this report to prospective residents before executing a deposit agreement or continuing care contract, or receiving any payment. Many communities are part of multi-facility operations which may influence financial reporting. Consumers are encouraged to ask questions of the continuing care retirement community that they are considering and to seek advice from professional advisors.

PROVIDER NAME: Bay Area Senior Services, Inc.

<u>OTHER CCRCs</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
None		

<u>MULTI-LEVEL RETIREMENT COMMUNITIES</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
None		

<u>FREE-STANDING SKILLED NURSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
None		

<u>SUBSIDIZED SENIOR HOUSING</u>	<u>LOCATION (City, State)</u>	<u>PHONE (with area code)</u>
None		

NOTE: PLEASE INDICATE IF THE FACILITY IS A LIFE CARE FACILITY.

PROVIDER NAME: Bay Area Senior Services, Inc.

	2011	2012	2013	2014
INCOME FROM ONGOING OPERATIONS				
OPERATING INCOME				
(Excluding amortization of entrance fee income)	\$10,069,379	\$10,685,079	\$10,850,476	\$10,560,966
LESS OPERATING EXPENSES				
(Excluding depreciation, amortization, and interest)	9,566,062	10,031,510	10,378,129	10,244,843
NET INCOME FROM OPERATIONS	503,353	653,569	472,347	316,123
LESS INTEREST EXPENSE	0	0	0	0
PLUS CONTRIBUTIONS	0	0	0	0
PLUS NON-OPERATING INCOME (EXPENSES)				
(excluding extraordinary items)	0	0	0	0
NET INCOME (LOSS) BEFORE ENTRANCE FEES, DEPRECIATION AND AMORTIZATION	\$503,353	\$653,569	\$472,347	\$ 316,123
NET CASH FLOW FROM ENTRANCE FEES				
(Total Deposits Less Refunds)	\$0	\$0	\$0	\$0

DESCRIPTION OF SECURED DEBT (as of most recent fiscal year end)

LENDER	OUTSTANDING BALANCE	INTEREST RATE	DATE OF ORIGATION	DATE OF MATURITY	AMORTIZATION PERIOD
None					

FINANCIAL RATIOS (see next page for ratio formulas)

2013 CCAC Medians
50th Percentile
(optional)

	2012	2013	2014
DEBT TO ASSET RATIO			
OPERATING RATIO	.94	.96	.97
DEBT SERVICE COVERAGE RATIO			
DAYS CASH ON HAND RATIO	205	182	184

HISTORICAL MONTHLY SERVICE FEES (Average Fee and Change Percentage)

	2011	%	2012	%	2013	%	2014
STUDIO							
ONE BEDROOM	\$2,639	3.9	\$2,742	3.5	\$2,838	3.5	\$2,938
TWO BEDROOM	\$3,397	3.9	\$3,530	3.5	\$3,654	3.5	\$3,782
COTTAGE/HOUSE							
ASSISTED LIVING	\$3,366	3.9	\$3,497	3.5	\$3,620	3.5	\$3,747
SKILLED NURSING							
SPECIAL CARE							

COMMENTS FROM PROVIDER: > There are 8 different floor plans grouped into 4 monthly fee categories.

>

>

PROVIDER NAME: Bay Area Senior Services, Inc.

FINANCIAL RATIO FORMULAS

LONG-TERM DEBT TO TOTAL ASSETS RATIO

$$\frac{\text{Long-Term Debt, less Current Portion}}{\text{Total Assets}}$$

OPERATING RATIO

$$\frac{\begin{array}{l} \text{Total Operating Expenses} \\ - \text{Depreciation Expense} \\ - \text{Amortization Expense} \end{array}}{\text{Total Operating Revenues} - \text{Amortization of Deferred Revenue}}$$

DEBT SERVICE COVERAGE RATIO

$$\frac{\begin{array}{l} \text{Total Excess of Revenues over Expenses} \\ + \text{Interest, Depreciation, and Amortization Expenses} \\ \text{Amortization of-Deferred Revenue} + \text{Net Proceeds from Entrance Fees} \end{array}}{\text{Annual Debt Service}}$$

DAYS CASH ON HAND RATIO

$$\frac{\begin{array}{l} \text{Unrestricted Current Cash \& Investments} \\ + \text{Unrestricted Non-Current Cash \& Investments} \end{array}}{(\text{Operating Expenses} - \text{Depreciation} - \text{Amortization})/365}$$

NOTE: These formulas are also used by the Continuing Care Accreditation Commission. For each formula, that organization also publishes annual median figures for certain continuing care retirement communities.

FORM 7-1
REPORT ON CCRC MONTHLY SERVICE FEES

	<u>RESIDENTIAL LIVING</u>	<u>ASSISTED LIVING</u>	<u>SKILLED NURSING</u>
[1] Monthly Service Fees at beginning of reporting period: (indicate range, if applicable)	<u>\$2,643-\$4,068</u>	<u>\$3,747</u>	<u>N/A</u>
[2] Indicate percentage of increase in fees imposed during reporting period: (indicate range, if applicable)	<u>3.5%</u>	<u>3.5%</u>	

☐ Check here if monthly service fees at this community were not increased during the reporting period. (If you checked this box, please skip down to the bottom of this form and specify the names of the provider and community.)

[3] Indicate the date the fee increase was implemented: _____
 (If more than 1 increase was implemented, indicate the dates for each increase.)

[4] Check each of the appropriate boxes:

- ☒ Each fee increase is based on the provider's projected costs, prior year per capita costs, and economic indicators.
- ☒ All affected residents were given written notice of this fee increase at least 30 days prior to its implementation.
- ☒ At least 30 days prior to the increase in monthly service fees, the designated representative of the provider convened a meeting that all residents were invited to attend.
- ☒ At the meeting with residents, the provider discussed and explained the reasons for the increase, the basis for determining the amount of the increase, and the data used for calculating the increase.
- ☒ The provider provided residents with at least 14 days advance notice of each meeting held to discuss the fee increases.
- ☒ The governing body of the provider, or the designated representative of the provider posted the notice of, and the agenda for, the meeting in a conspicuous place in the community at least 14 days prior to the meeting.

[5] On an attached page, provide a concise explanation for the increase in monthly service fees including the amount of the increase.

PROVIDER: Bay Area Senior Services, Inc.
 COMMUNITY: The Peninsula Regent



THE PENINSULA REGENT

November 1, 2013

Dear Member:

BASS and members agree that we should set rates at the level consistent with providing superior services. We undertook a careful process that involved the TPR management team, Bay Area Senior Services, BAC Associates, your Resident Council and its Finance Committee and suggestions from your fellow members. To achieve superior services for 2014 and balance the operating budget, there will be a 3.5% increase in the base monthly fee.

Optional specific services not utilized by all members will continue to be subject to a separate fee rather than made a part of the monthly fee. Those services and fees are detailed in the attached Membership Agreement Exhibit B, Incidental Charges.

Approximately half of the 2014 rate increase is committed to wage increases associated with providing these superior services. All changes in individual compensation are based on merit and the benefits of maintaining competitive compensation.

This budget also fully funds the reserve for capital improvements and equipment, consistent with the formal Replacement Reserve Study. The balance of the increase is necessary to meet the anticipated costs of insurance, utilities, food, supplies and repairs and maintenance of our building and grounds.

Management will also draw on Operating Reserves to cover some one-time and start-up costs in 2014. This action is the equivalent of a .75% change in the monthly fees.

Enclosed with this letter are the specific elements which make up your bill for your condo. Note that the only elements which have increased are the Service Fee and Long Term Care Insurance premium. The Leasehold Payment, the Homeowners' Association Dues, and the Medicare Supplemental premium (if applicable) remain the same. This means your total actual out-of-pocket cost may change by other than 3.5%.

Also enclosed with this letter is a report showing a five year history of the monthly fees.

Please contact me if you have questions or if you would like to discuss your specific circumstances.

Thank you.

Marianne Nannestad
Executive Director



Incidental Charges 2014

Membership Agreement Exhibit B

Dining Services

Sales tax applies*

Meals	Member	Guest*	Child(>7-12)
Breakfast	\$ 8.50	\$ 10.50	\$ 5.25
Lunch	\$ 13.25	\$ 17.75	\$ 9.00
Dinner	\$ 17.00	\$ 22.25	\$ 11.00
Sunday Brunch, Holiday Meals & BBQ's	\$ 18.50	\$ 29.00	\$ 15.00
Member Special Events	Varies based on event menu		
Room Service Charge - per person/per meal	\$ 5.00	\$ 5.00	\$ 5.00
Wine by the glass	\$ 3.00*	\$ 3.00*	
Wine by the bottle	\$ 7.00*	\$ 7.00*	
Soup to go	\$ 3.00*	\$ 3.00*	per pint
Meal Plans			
Additional Daily Meal	\$ 250.00	per month	
For consecutive absence longer than 14 days	\$ (60.00)	per week retroactive to 1st day	
For participation in the 21 monthly meals plan	\$ (80.00)	per month	
For voluntarily withdrawing from all meal plans	\$ (270.00)	per month	
Catering services and private dining room use			
Server	Quoted Per Event		
	\$ 27.00	per hour	
Chef, Carver, Bartender	\$ 38.00	per hour/per person	
Valet Parking (2 attendants - 4 hour minimum)			
	\$ 350.00		
Additional Attendant/s	\$ 30.00	per hour/per person	

Building Services

Housekeeping Extra Services	\$ 27.00	per hour
Extra Linen Service	\$ 20.00	per month
Maintenance Service (charged in 15 min. increments)	\$ 30.00	per hour

Any materials purchased on behalf of the Member will be billed on the monthly statement at TPR's cost.



Incidental Charges 2014 Membership Agreement Exhibit B

Resident Services

Access Card Replacement	\$	15.00
U-Key Replacement	\$	60.00
ASSA Keys Replacement (pool & gate key)	\$	15.00
Mailbox key	\$	2.50
Copies or Incoming Fax	\$	0.10 per page
Outgoing Fax	\$	1.00 per page
Roll Away Bed (each three day period)	\$	25.00
Roll Away Linen Service	\$	10.00 per service
Guest Room	\$	90.00 plus tax
Late Cancellation Fee (less than 48 hours)	\$	50.00
Failure to return the key	\$	60.00
Parking		
(for eligible residents, when available)	Single \$	50.00 per month
	Tandem \$	35.00 per month
Storage Locker (upon availability)	\$	25.00 per month
Pull Cord Conversion Kit (parts & installation)	\$	150.00
Replacement Pendant	\$	50.00

Transportation & Programs

Bus Rental upon availability of TPR vehicle/driver (4 hour minimum)	\$	100.00	per hour
Outside Company- Drivers on Demand			
(Chauffer screened and bonded - min. 3 hrs)	Members Vehicle \$	35.00	per hour
	TPR Vehicle \$	45.00	per hour
			Billed Directly by Provider
Services provided by 3rd parties (car wash, fitness & art instructors)			Billed Directly by Provider
Tickets and items purchased as a service to members			Billed at Cost
Cancellation Fee, less than 72 hours notice	\$	20.00	

Beauty Salon

Shampoo Only	\$	15.00
Shampoo & Set	\$	32.00
Conditioner	\$	10.00
Color Rinse	\$	5.00
Tinting	\$	40.00
Hair Cut - Men & Women	\$	30.00
Blow Dry	\$	32.00
Comb Out	\$	20.00
Perms	\$	100.00

Appointments not cancelled 24-hours in-advance will be charged for the scheduled services.



Incidental Charges 2014
Membership Agreement Exhibit B

Health & Wellness Services

Private Duty Services Provided by Outside Agency	Billed Directly by Provider
Prothrombin Time Test	\$ 8.00
TPR Administrative Fee for Non-Agency Caregiver - per member	\$ 50.00 per month

Services Provided by our Staff in your Condominium

Care Staff Charges (non-temporary in nature - charged in 15 min. increments)	\$ 40.00 per hour
---	-------------------

Wellness Management Plan

Level I	\$ 450.00 per month
Level II	\$ 900.00 per month
Level III	\$ 1,350.00 per month

Services Provided in Assisted Living

Additional Meals (during temporary stay)	\$ 21.75 per day
---	------------------

Temporary Residence and Care Fee (after temporary allowance)	\$ 185.00 per day
---	-------------------

Assisted Member Fee (when eligible) *	\$ 3,747 per month
RCFE Residence and Care Fee *	\$ 4,100 - 6,200 per month
* Selection based on specific membership agreement	

Offsite Care

Assisted Living Community (after temporary allowance)	Billed Directly by Provider
--	-----------------------------

Skilled Nursing Facility	Billed Directly by Provider
--------------------------	-----------------------------



THE PENINSULA REGENT

5 Year Rate History

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Base Monthly Fee					
A	2,340	2,375	2,468	2,554	2,643
B/C	2,698	2,738	2,845	2,945	3,048
D/E	3,166	3,213	3,339	3,456	3,577
F/G/H	3,600	3,654	3,797	3,930	4,068
2nd Person	1,349	1,369	1,423	1,473	1,525
Assisted Membership	3,316	3,366	3,497	3,620	3,747
HOA Dues	30	30	30	30	30
Change from Previous Year					
A	2.8%	1.5%	3.9%	3.5%	3.5%
B/C	2.7%	1.5%	3.9%	3.5%	3.5%
D/E	2.8%	1.5%	3.9%	3.5%	3.5%
F/G/H	2.7%	1.5%	3.9%	3.5%	3.5%
2nd Person	2.7%	1.5%	3.9%	3.5%	3.5%
Assisted Membership	2.8%	1.5%	3.9%	3.5%	3.5%
HOA Dues	20.0%	0.0%	0.0%	0.0%	0.0%
Cumulative Average Rate Change					3.0%
Voluntary Group Insurance Premiums					
Medicare Supplemental (closed to new enrollments)	271	271	271	271	271
Long Term Care	195	195	195	234	254
Fixed Leasehold Payment (also called Sustaining Fee)					
100-150 100-150 100-150 100-150 100-150 (set on move-in, remains constant through-out occupancy, per person)					

KEY INDICATORS REPORT

Bay Area Senior Services, Inc.

Please attach an explanatory memo that summarizes significant trends or variances in the key operational indicators.

Chief Financial Officer Signature

significant trends or variances in the key operational indicators.

	Actual					Projected	Forecast				Preferred Trend Indicator
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
OPERATIONAL STATISTICS											
1. Average Annual Occupancy by Site (%)	80.40%	83.49%	85.69%	90.31%	90.31%	92.52%	92.08%	93.84%	93.84%	93.84%	N/A
MARGIN (PROFITABILITY) INDICATORS											
2. Net Operating Margin (%)	4.00%	4.00%	5.00%	3.00%	3.00%	4.00%	4.00%	4.00%	5.00%	5.00%	↑
3. Net Operating Margin - Adjusted (%)	4.00%	4.00%	5.00%	3.00%	3.00%	4.00%	4.00%	4.00%	5.00%	5.00%	↔
LIQUIDITY INDICATORS											
4. Unrestricted Cash and Investments (\$000)	\$6,729	\$6,010	\$7,151	\$6,779	\$6,905	\$6,713	\$6,184	\$5,911	\$5,493	\$5,140	↑
5. Days Cash on Hand (Unrestricted)	259	230	261	239	247	233	205	189	169	154	↑
CAPITAL STRUCTURE INDICATORS											
6. Deferred Revenue from Entrance Fees (\$000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	N/A
7. Net Annual E/F proceeds (\$000)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	N/A
8. Unrestricted Net Assets (\$000)	\$15,237	\$13,562	\$9,897	\$9,822	\$9,875	\$9,888	\$9,948	\$9,989	\$10,053	\$10,120	N/A
9. Annual Capital Asset Expenditure (\$000)	\$413	\$1,117	\$599	\$1,104	\$668	\$600	\$1,010	\$773	\$996	\$984	N/A
10. Annual Debt Service Coverage Revenue Basis (x)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	↑
11. Annual Debt Service Coverage (x)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	↑
12. Annual Debt Service/Revenue (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	↔
13. Average Annual Effective Interest Rate (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	↔
14. Unrestricted Cash & Investments/ Long-Term Debt (%)	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	↑
15. Average Age of Facility (years)	12.19	11.88	11.19	11.8	12.93	13.21	13.65	13.85	13.78	13.9	↔

Date Prepared: 6/26/15

KEY INDICATORS REPORT - 2014
BAY AREA SENIOR SERVICES, INC. (BASS)
FOOTNOTES

Line #

1. BASS has a single community – The Peninsula Regent.
2. We base the charges to the residents on the amount needed to cover operating costs and fund reserves. The net operating margin now represents approximately the amount needed to fund replacement reserves at the appropriate level.
3. There are no entrance fees, so this calculation is the same as line 2.
4. Significant capital expenditures are planned for 2016 and 2018. Cash & investments drop accordingly at that point.
5. As noted in 4 above, the days cash on hand drops as a result of the major capital expenditure in 2016 and 2018.
6. There are no entrance fees.
7. There are no entrance fees.
8. The unrestricted net assets will grow slightly, consistent with the operating margin assumption.
9. The amounts in the projected and forecast period are taken from the formal replacement reserve study.
10. BASS has no debt.
11. BASS has no debt.
12. BASS has no debt.
13. BASS has no debt.
14. BASS has no debt.
15. Consistent with planned capital investments.